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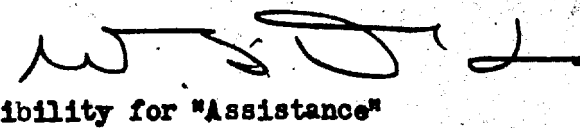
EDAC D-136/3


August 6, 1957

ECONOMIC DEFENSE ADVISORY COMMITTEE


MEMORANDUM

To: Chairman, Executive Committee

From: Chairman, EDAC 

25X6 Subject:  Eligibility for "Assistance"

References: (1) OCB Recommendations -- EDAC D-136
(2) EDAC Chairman's Reply -- EDAC D-136/1
(3) State Member's Recommendations -- EDAC D-136/2

The State Department document, reference (3) above, recommends favorable consideration of  eligibility for U.S. assistance by EDAC for overriding foreign policy considerations and that this be reviewed by EDAC in the light of current conditions at the time a Presidential "exception" is required. 25X6

This matter is referred to the Executive Committee for necessary study and documentation prior to EDAC consideration and action.

The facts of direct interest to EDAC appear to be the following:


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1. U.S. "assistance" to  is desirable (References (1) and (3));


2. Assistance has not been granted in the past because of known shipments to the Bloc incompatible with the principles of the Battle Act;

25X6 3. No Battle Act Title I Category A items "are being exported from  (reference (3), attachment);

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4. Battle Act Title I Category B shipments by  to the Bloc in 1956 are estimated by State to have been approximately \$20 million (reference (3) - paragraph 4);

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5. Sixteen items listed under Title II are shipped by  to the Bloc in an amount not estimated in the documentation (reference (3) - attached lists).

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In the light of these facts, the Battle Act Administrator will require advice from EDAC on the following:

1. Should ^{25X6} [REDACTED] be considered eligible now for the assistance recommended, recognizing that in each case Presidential (exceptions) determinations on Title I Category B shipments made by [REDACTED] after ^{25X6} the effective date of such assistance will be required to continue aid?
2. If so, can ^{25X6} [REDACTED] known shipments of Title II commodities and the supply of general trade statistics (SITC) be considered effective cooperation within the meaning of Title II of the Battle Act?
3. If not, what assurances, reports or cooperation will be required as a minimum to obtain eligibility for U.S. assistance under the Battle Act?

The Executive Committee is requested to give consideration to these and any other appropriate questions in order that proper documentation may be prepared promptly for EDAC action.

Distribution:
ED List Parts I & II

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